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H59

ACTION EUR-00

RELEASED IN FULL

INFO LOG-00 AMAD-00 INL-00 DOTE-00 PDI-00 EB-00 FAAE-00
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FM AMEMBASSY VIENNA
TO SECSTATE WASHDC PRIORITY 1753
OSD WASHDC PRIORITY
WHITEHOUSE WASHDC PRIORITY

UNCLAS VIENNA 003827

DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR LISBETH KEEFE

OSD FOR COMMANDER CHAFFEE

WHITEHOUSE FOR NSC/WEUROPE

E.O. 12958: N/A
TAGS: KPAO, AU, OPRC

SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: DECEMBER 07, 2005

Visa Affair Escalates: Four Proceedings

1. The affair over the illegal sale of visas by Austrian diplomats is quickly escalating, semi-official daily "Wiener Zeitung" reports on its front page. The Austrian Public Prosecutor has launched preliminary proceedings against four employees of Austrian embassies. In addition, the affair has led to tensions between two Ministries, with the Interior Ministry accusing the Foreign Ministry of having realized too late the true dimensions of the scandal. Meanwhile, writes ORF online news, the Austrian Parliament has again dismissed calls for an investigative committee on the issue. Only the opposition Greens and the SPOe, as well as two FP0e MPs voted in favor of such a move.

FMA Closes Proceedings against Bawag

2. On Tuesday the Financial Market Supervisory Authority (FMA) closed official proceedings against the Austrian bank

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Bawag that had it had started due to the bank's involvement in the Refco credit debacle, centrist daily "Die Presse" writes. The bank is to put measures in place no later than the first quarter of 2006 to eliminate such credit problems in the future. These measures include tightening the rules governing the issue of credit and those involving corporate governance. The changes are based on the report issued by the Austrian National Bank following its investigation of Bawag in light of the 425 million Euro credit the bank extended to the now bankrupt American brokerage firm Refco and its former CEO Phillip Bennett just hours before the brokerage firm's financial problems became public. The Bawag's application of the new measures will be monitored by the National Bank in close cooperation with the FMA, says the "Presse."

----- Blair's Financial Plans Meet with Widespread Criticism -----

3. The EU Commission and Parliament as well as a number of member states have rejected British Premier Tony Blair's plan for cutting the EU budget. Brussels correspondent for centrist daily "Die Presse" Friederike Leibl writes Austrian Finance Minister Karl-Heinz Grassler, too, has said the British proposal, which includes plans to cut aid to rural areas, is unfair. Austrian Chancellor Wolfgang Schuessel argues that adaptations will be necessary. Nonetheless, Leibl quotes Schuessel, the draft was a "first step toward negotiations."

The daily's foreign affairs writer Wolfgang Boehm comments that the "financial debate demonstrates clearly why this EU does not work. It exposes the deficiencies of the system, which lie in its inability to carry out the necessary reforms. The European Union has to make necessary adjustments. It needs a modern instrument for financing that enhances its competitive edge instead of preventing a restructuring of the system, as is the case in the agrarian sector. It needs to give more efficient assistance to Eastern Europe so that we can all profit from the economic growth in those countries. It needs a strong currency and a sound domestic market in order to respond to globalization. And above all, it needs the capacity to make decisions for the common cause."

----- Schuessel Visits President Bush in Washington -----

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4. Austrian Chancellor Wolfgang Schuessel is traveling to Washington today, where he will meet with US President George Bush tomorrow, ORF online news reports. As the next EU Council President, Schuessel is to inform Bush about the key issues of Austria's EU Presidency. The Chancellery stressed that Austria attached great importance to the transatlantic relationship. A White House release issued ahead of the visit meanwhile stated that the two politicians will discuss transatlantic cooperation as well as the "global challenges Europe and the United States face together." Like all major Austrian media, ORF online says the Austrian Chancellor will also broach the controversial issue of CIA overflights through Europe.

Bin Laden Alive, Video Claims

5. ORF radio and online news report that Osama Bin Laden is still alive and leading a "holy war" against the West, according to a videotaped statement by his right-hand man Ayman al-Zawahri, speaking in a message posted on the internet and then broadcast by al-Jazeera. ORF online quotes al-Zawahri as saying al-Qaeda was "spreading and expanding and strengthening."

CIA Prisons in Europe Dissolved

6. All Austrian media report on the visit to several European countries of US Secretary of State Condoleezza Rice. Centrist daily "Die Presse" carries a front-page report suggesting in the run-up to Rice's trip the CIA was apparently "busily trying to remove the inmates of suspected CIA covert prisons in Eastern Europe from the continent," adding that eleven terrorist suspects are said to have been transferred to North Africa. The Eastern European prisons are reported to have been closed in the meantime. According to the "Presse," the CIA is allegedly also running jails in Yemen and Jordan. Liberal daily "Der Standard" writes on its front page that Rice admitted "mistakes" during her visit to Berlin. According to the daily, she promised German Chancellor Angela Merkel the US would correct mistakes made in the anti-terror war. Foreign affairs writer Birgit Baumann, however, comments in the "Standard" that the "Secretary of State's meager and empty phrases in Berlin were quite unsatisfactory." Meanwhile, in Romania, the second leg of her tour touched by the controversy over CIA operations, Rice praised the host

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country as one of Washington's best allies. ORF radio early morning news "Morgenjournal" quotes the Secretary of State as stressing Romania was a friend with whom the US shared the belief that those "who are fortunate now to be on the right side of history's divide in terms of liberty and freedom have an obligation to those who are on the other side of the divide to extend those blessings."

UN Special Rapporteur Novak on Human Rights

7. In an interview with ORF TV's late night news "Zeit im Bild II" on December 5, Manfred Novak dismissed Secretary Rice's assertion that the US has always adhered to the Constitution, the law and its international responsibilities: "No, the US did not always adhere to its Constitution. The fact that it maintains camps for terrorists outside the US shows that it did not want to apply the Constitution." International treaties were "not adhered to, either," Novak adds, continuing: "By establishing such camps where torture is also partly used, the US, according to its own interpretation, avoids applying the US Constitution and the application of international treaties, among others the international convention against torture," despite the fact that "the ban on torture is really absolute." There is "no justification, neither ethically nor politically, for the use of torture," he underscored. According to Novak, the "attempt on the part of Cheney and also Bush himself to get Congress to legalize exceptions from the ban on inhuman treatment for the CIA is a very, very dangerous step toward creating a loophole that would legalize torture and inhumane treatment." He warns that "this is an exceedingly dangerous step in the wrong direction. And we in Europe have to exert pressure to reverse this."

In an interview with centrist daily "Die Presse," Novak said he "does not have any definite proof" for the existence of covert CIA prison facilities, but "there are indications." The US and Europe "need to establish transparency quickly. Who did the US approach, and who complied with these requests?" Regarding alleged prisons outside of Europe, he said there were "specific complaints, both from victims and their families," specifying sites in Yemen and Jordan, and ships being used as jails. Furthermore, as in the case of a Canadian citizen who was brought to Syria by the US, "transporting prisoners to notorious torture countries for questioning is a violation

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of the ban on torture."

More than 500 CIA Flights

8. centrist daily "Die Presse" quotes Greens security spokesperson Peter Pilz. In an interview with the daily, Pilz claimed the January 2003 flight over Austria was not an isolated incident: "Since the 9/11 attacks, at least 500 CIA planes have crossed Austrian airspace," he said, citing information he obtained on the issue from the Austrian army and the Defense Ministry, Pilz told the "Presse." It could therefore not be ruled out that the CIA had transported prisoners on some of these flights, Pilz continued, adding that Chancellor Schuessel should demand clarification during his visit to Washington. The security spokesperson, who is also going to the US this week, has accused the Austrian government, of "having deliberately tried to bamboozle the general public." Vice-Chancellor Hubert Gorbach in particular had refused to follow up on the matter by failing to collect flight plans and data from the German authorities, he said. The C-130 Hercules operated by Tepper Aviation, which according to Pilz crossed Austrian airspace on about "a dozen occasions," however, did not transport prisoners, but logistics material for Afghanistan, noted the "Presse" citing information provided to the Austrian Government by the US Embassy in Vienna in response to the Government's inquiry.

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